

## Message Text

CONFIDENTIAL

PAGE 01 STATE 137468

51

ORIGIN SS-15

INFO OCT-01 ISO-00 /016 R

DRAFTED BY: NEA/EGY:GGBROWN:CLW

APPROVED BY: NEA-MR. SAUNDERS

S/S-O:J.HOGANSON

----- 019663

O 121908Z JUN 75

FM SECSTATE WASHDC

TO AMEMBASSY KUWAIT IMMEDIATE

AMEMBASSY JIDDA IMMEDIATE

C O N F I D E N T I A L STATE 137468

EXDIS

FOLL REPEAT CAIRO 5796 ACTION SECSTATE 11 JUN 75 QUOTE:

C O N F I D E N T I A L CAIRO 5796

EXDIS

E.O. 11652: GDS

TAGS: EAID USEGJC

SUBJECT: COORDINATED PRESENTATION OF EGYPT'S

FINANCIAL ASSISTANCE REQUIREMENTS

REF: STATE 133630

1. AMBASSADOR WITH DCM AND AID REP MET TODAY WITH  
MINFINANCE ABU ISMAIL TO PRESENT TEXT OF LETTER  
PROPOSED PARAGRAPH 6 OF REFTEL. AFTER STRESSING  
ESSENTIALITY USG AND GOE APPROACHING PROSPECTIVE  
DONORS WITH CONSISTENT STATEMENTS RE NATURE  
OF EGYPT'S BOP PROBLEM AND REALISTIC REQUIREMENTS  
FOR ADDITIONAL AID, AMBASSADOR INDICATED WE HAVE BEEN  
THINKING OF A COORDINATED STATEMENT AND GAVE ABU  
ISMAIL DRAFT CITED PARA 6 REFTEL. AMBASSADOR  
MENTIONED UNDERSEC'S UPCOMING TRIP TO EUROPE TO  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 137468

DISCUSS, AMONG OTHER THINGS, AID FOR EGYPT AND THAT

IT WOULD BE HELPFUL HAVE SUCH A STATEMENT FOR THE UNDERSEC'S USE AND FOR DIRECT GOE TALKS WITH PROSPECTIVE DONORS. WHILE A WRITTEN STATEMENT BEST, WE NEED AT VERY MINIMUM A FIRM UNDERSTANDING ON POSITION OUR TWO GOVERNMENTS WILL COMMUNICATE TO PROSPECTIVE DONORS.

2. AFTER READING PROPOSED LETTER, MINFIN STATED THAT OUR FIGURES ON MAGNITUDE OF EGYPT'S FINANCIAL PROBLEM DIFFER FROM THOSE REACHED BY GOE. AMBASSADOR INDICATED THAT FIGURES IN STATEMENT HAD BEEN DEVELOPED WITH MINISTER'S STAFF AND ASSOCIATES DURING UNDER SECRETARY ROBINSON'S VISITS AND THAT REPORTED USE OF DIFFERENT FIGURES BY EGYPTIAN OFFICIALS WAS ONE REASON FOR PROPOSING STATEMENT THAT WOULD PROVIDE BASIS FOR CONSISTENT APPROACH BY ALL CONCERNED. ABU ISMAIL AGREED IN PRINCIPLE THAT STATEMENT ALONG LINES OF OURS MIGHT BE USEFUL, BUT INSISTED THAT FIGURES MUST BE REVISED, CITING AS EXAMPLE NEED TO REFINANCE OUTSTANDING SHORT TERM CREDITS ON BETTER TERMS IN ORDER ESCAPE CURRENT TWENTY PERCENT INTEREST CHARGES. IF GOE IS TO ISSUE STATEMENT, ABU ISMAIL POINTED OUT, IT SHOULD CONTAIN FIGURES REFLECTING EGYPT'S PERCEPTION OF THE PROBLEM. HE WONDERED IF ANY FIGURES NEED BE INCLUDED AT ALL, BUT ACCEPTED ARGUMENT THEY ARE NECESSARY. HE RECALLED HE HAD MENTIONED FIGURES DURING UNDERSECRETARY'S PREVIOUS VISITS AND EXPRESSED REGRET US TEAM HAD NOT ACCEPTED THEM AND HAD INSTEAD COME UP WITH ITS OWN. THESE, AS HE HAD TRIED TO POINT OUT, ARE NOT CONSISTENT WITH GOE'S PERCEPTION OF THE NATURE AND MAGNITUDE OF THE PROBLEM.

3. AMBASSADOR SUGGESTED MINFIN REVIEW STATEMENT AND MODIFY AS NECESSARY, EXPRESSING HOPE THAT THIS COULD BE DONE QUICKLY SO THAT UNDERSECRETARY ROBINSON COULD HAVE FINAL VERSION PRIOR TO HIS VISIT TO SAUDI ARABIA. ISMAIL PROMISED TO PROCEED AS RAPIDLY AS POSSIBLE, BUT CLAIMED THAT HE WOULD NOT HAVE TIME TO FOCUS ON STATEMENT UNTIL TOMORROW (JUNE 12) AFTERNOON. HE MIGHT BE ABLE LET ME HAVE AMENDED  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 137468

STATEMENT FRIDAY OR SATURDAY.

4. WHILE ISMAIL SEEMED TO UNDERSTAND NEED FOR, AND URGENCY OF, A CONCERTED POSITION, WE FEEL CERTAIN THAT HE WILL WANT TO CONSULT WITH HIS STAFF, PRIME MINISTER AND MINISTERIAL COLLEAGUES BEFORE AGREEING TO ISSUANCE OF OFFICIAL STATEMENT SETTING FORTH EGYPT'S PROBLEMS AND REQUIREMENTS.

5. DISCUSSION THEN MOVED TO THE CLARIFICATION OF FISCAL AND CALENDAR YEAR FUNDING FIGURES AS SET FORTH PARA 1 REFTEL. SINCE OUR BREAKDOWN WAS OBVIOUSLY CONFUSING TO ABU ISMAIL, AMBASSADOR GAVE HIM AIDE MEMOIRE DETAILING FACTS. WE THEN SPENT SOME TIME GIVING ABU ISMAIL GRAPHIC PRESENTATION OF RELATIONSHIP BETWEEN FISCAL AND CALENDAR YEAR FUNDING AS WELL AS MAKE-UP OF \$250 MILLION PROPOSED AS ADDITIONAL BALANCE OF PAYMENTS SUPPORT FOR BALANCE OF CY 1975. WE ALSO REMIND ABU ISMAIL THAT ALL FY 76 AID FIGURES ARE HIGHLY CONFIDENTIAL UNTIL CONGRESSIONAL CONSULTATIONS HAD BEEN COMPLETED, FINAL FY 1976 FIGURE AGREED UPON, AND ACTUAL PRESENTATION MADE TO CONGRESS. ABU ISMAIL PROMISED TO REMIND HIS COLLEAGUES THAT ALL FY 76 FIGURES MUST BE KEPT STRICTLY CONFIDENTIAL. V  
EILTS UNQUOTE KISSINGER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, FINANCIAL CONTRIBUTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 JUN 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE137468  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** NEA/EGY:GGBROWN:CLW  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750205-0741  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750656/aaaabyol.tel  
**Line Count:** 132  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** EXDIS  
**Reference:** 75 STATE 133630  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 30 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <30 JUL 2003 by CunninFX>; APPROVED <01 DEC 2003 by greeneet>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COORDINATED PRESENTATION OF EGYPT'S FINANCIAL ASSISTANCE REQUIREMENTS  
**TAGS:** EAID, EG, KU, USEGJC, (ISMAIL, ABU)  
**To:** KUWAIT JIDDA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006